

VZCZCXRO2758
OO RUEHCHI RUEHDT RUEHHM RUEHNH
DE RUEHGO #0096/01 0390626
ZNR UUUUU ZZH
O 080626Z FEB 08
FM AMEMBASSY RANGOON
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7148
INFO RUCNASE/ASEAN MEMBER COLLECTIVE
RUEHBY/AMEMBASSY CANBERRA 0882
RUEHBJ/AMEMBASSY BEIJING 1718
RUEHKA/AMEMBASSY DHAKA 4755
RUEHNE/AMEMBASSY NEW DELHI 4442
RUEHUL/AMEMBASSY SEOUL 7973
RUEHKO/AMEMBASSY TOKYO 5534
RUEHCN/AMCONSUL CHENGDU 1340
RUEHCHI/AMCONSUL CHIANG MAI 1368
RUEHCI/AMCONSUL KOLKATA 0207
RUEAIIA/CIA WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUEKJCS/DIA WASHDC
RUEHGV/USMISSION GENEVA 3499
RUEHPH/CDC ATLANTA GA
RHEHNSC/NSC WASHDC
RUEHRC/USDA FAS WASHDC
RUEKJCS/SECDEF WASHDC
RUEKJCS/JOINT STAFF WASHDC
RUCNDT/USMISSION USUN NEW YORK 1318
RUEHBS/USEU BRUSSELS

UNCLAS SECTION 01 OF 03 RANGOON 000096

SIPDIS

SENSITIVE
SIPDIS

STATE FOR EAP/MLS;
PACOM FOR FPA
BANGKOK FOR USAID/RDMA HEALTH OFFICE, REO: JWALLER

E.O. 12958: N/A

TAGS: [SOC](#) [E](#) [A](#) [I](#) [D](#) [P](#) [H](#) [U](#) [M](#) [K](#) [H](#) [I](#) [V](#) [P](#) [G](#) [O](#) [V](#) [S](#) [E](#) [N](#) [V](#) [B](#) [M](#)

SUBJECT: 3D FUND PROMOTING HEALTH CARE THROUGHOUT BURMA

REF: 07 RANGOON 419 QB) RANGOON 048

RANGOON 00000096 001.2 OF 003

¶1. (SBU) Summary. After getting off to a slow start, the 3 Diseases Fund (3DF), run by UNOPS, has started moving: 26 implementing partners are fulfilling 38 health contracts worth \$21 million in 300 townships throughout the country. 3DF activities target the most vulnerable and under-served population groups, particularly those living in remote areas. The 3DF will launch its small grants program in the next month, and plans to issue 10-15 contracts to smaller local NGOs for HIV/AIDS, TB, and malaria programs in rural areas. While the Fund has secured \$104 million in funding for a five year period, 3DF needs additional funds to ramp up existing health projects and provide improved health services to more Burmese. End Summary.

3D Fund Rollout

¶2. (SBU) The 3 Diseases Fund (3DF), managed by UNOPS, was established 2005 to reduce the burden of communicable disease mortality and morbidity for HIV/AIDS, malaria, and TB in Burma (Ref A). A consortium of six donors -- Australia, the European Commission, the Netherlands, Norway, Sweden, and the United Kingdom -- pledged a budget of \$104 million over a five year period. After a slow start, the 3DF signed contracts worth \$21 million with 26 implementing partners, including UN agencies, international NGOs, and local NGOs, in May and September 2007. According to 3D Fund CEO Mikko Lainejoki, the implementing partners are now working on 38 different projects in 300 townships to promote the prevention

and treatment of HIV/AIDS, TB, and malaria among vulnerable and under-served populations.

13. (SBU) Implementation of 3DF programs has gone well, although there were some program delays due to the political crisis in September, Lainejoki told us. While most of the 38 projects are well underway, several NGOs are working hard to put other projects back on schedule. According to Lainejoki, the Minister of Health, as well as Regional Commanders, support the work of 3DF's NGO partners, including five Burmese NGOs. The majority of 3DF's programs focus on HIV/AIDS, although some of the implementing partners, such as MSF-Holland or Population Services International, are also implementing multiple contracts for TB and malaria. Currently, 16 partners are working on HIV/AIDS projects, 10 partners have TB programs, and 7 partners are implementing malaria programs throughout the country.

14. (SBU) During the first year, 3DF will take over management of projects that existed under the Global Fund and the Fund for HIV/AIDS in Myanmar (FHAM), Lainejoki explained. To date, 3DF programs have provided anti-retroviral treatment for more than 10,000 people, as well as funded doctors and clinics to enhance diagnosis of TB and malaria. 3DF plans to ramp up activities in coming years to improve the quality of health care for Burmese in remote areas, although it needs to secure additional funding, Lainejoki admitted.

Empowering Local NGOS

15. (SBU) In the next few weeks, 3DF will open competition for its second round of grants, this time focusing on smaller grants for local NGOs. The maximum grant amount will be

RANGOON 00000096 002.2 OF 003

capped at \$100,000, although the 3DF Board expects that the average grant will be \$30,000. The Fund plans to award between 10-15 contracts in the next two months. NGOs do not have to be registered with the GOB to be eligible for these grants, Lainejoki told us, although they will have to partner with NGOs that have MOUs with the GOB in order to implement their project. 3DF hopes to use the small grant program as a way to provide services to remote areas while simultaneously building capacity for smaller NGOs.

16. (SBU) Providing money to small, unregistered NGOs may prove to be a problem, 3DF Public Health Officer Ivonne Camaroni explained. Burma has a poor banking system, with few banks in rural areas. As a result, many people use informal banking networks, such as the hundi system, to move money. Additionally, NGOs must be officially registered with the GOB to open a bank account in NGO's name. Thus, 3DF may face difficulties providing funding to unregistered NGOs, she admitted. Unregistered NGOs that partner with INGOs could receive funding through the INGO; other NGOs might open accounts in the name of the NGO Director to receive funds. UNOPS is searching for ways to work within the Burmese system, Lainejoki explained, and may also explore alternative ways to award grants.

Funding Issues Remain

17. (SBU) During the next year, 3DF will seek additional financial support for its program. According to Lainejoki, the \$105 million over five years will cover current operations, but does not allow implementing partners to revamp, improve, or expand current coverage. Ideally, the 3DF budget would increase by 20 percent each year in order to expand services to all 325 townships and to focus on specific components of HIV/AIDS, TB, and malaria prevention and treatment, Camaroni explained. Until 3DF finds new donors, its health care projects cannot expand, she concluded.

18. (SBU) Currently 60 percent of the Fund's budget goes to HIV/AIDS projects, with malaria and TB each receiving 20 percent. Additionally, Fund projects focus more on prevention rather than treatment. During 2008, 3DF will conduct studies to determine whether the budget allocation is appropriate given Burma's health care needs, as well as determine how much money it will need to improve existing programs. 3DF may also launch studies on disease burden, incidence, and prevalence of HIV/AIDS, TB, and malaria throughout Burma, Lainejoki noted. Currently, 3DF, per its MOU with the Ministry of Health, has authority to conduct these studies. Lainejoki was unsure whether the GOB's recent request that NGOs minimize new surveys and assessments would impact the 3DF's survey plans (Ref B).

Comment

19. (SBU) Although the Minister of Health is supportive of health programs, the regime only spends 0.4 percent of GDP on health care for the Burmese people, despite increased revenues from oil and gas exports. Programs like the 3D Fund and our humanitarian assistance to private NGOs, such as PSI and International Alliance for HIV/AIDS, are vital to ensure that ordinary citizens continue to have access to critical health services. NGOs need more money to tackle diseases like TB and malaria, which kill 12,000 and 3,000 Burmese

RANGOON 00000096 003.2 OF 003

annually, to ensure the infected receive proper treatment and prevent multi-drug resistant infections from spreading throughout the region. Until the political situation changes, the Burmese people will rely on international donors to try to stem the spread of infectious diseases. Denying the assistance will not bring about political change.

VILLAROSA